

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



To:

Susan Hughes
Senior Deputy Executive Officer, Ventura County
Tri-County REN
800 S. Victoria Avenue, #L1940
Ventura, CA 93003

Subject: Disposition approving Tri-County REN's annual budget advice letter 2-E/1-G.

Dear Ms. Hughes,

Decision (D.) 18-05-041, Ordering Paragraph (OP) 1, partially approved Tri-County REN's business plan to offer ratepayer funded energy efficiency (EE) programs. Pursuant to D.15-10-028, OP 4, EE program administrators (PAs), which includes Tri-County REN, must file a Tier 2 advice letter (AL) containing a budget for the next calendar year's EE portfolio by the first business day in September. Tri-County REN's annual budget advice letter (ABAL) was timely filed on September 4, 2018 seeking budget approval for program year 2019.

On October 4, 2018, the California Public Advocates timely protested the ABALs of: Pacific Gas & Electric Company AL 4011-G/5375-E; San Diego Gas & Electric Company AL 3267-E/2700-G; Southern California Edison Company AL 3859-E; Southern California Gas Company AL 5349; and Marin Clean Energy AL 33-E. MCE timely replied to the protest on October 10, 2018, while PG&E, SCE, SDG&E and SoCalGas timely replied to the protest from the California Public Advocates on October 11, 2018.

Tri-County REN was not included in the California Public Advocates' protest. However, since the California Public Advocates requested that all PAs file supplementals for their 2019 ABALs based on the then 2019-2020 Draft DEER Resolution E-4952, the California Public Advocates protest is relevant to all PAs, including Tri-County REN.

Energy Division has reviewed California Public Advocates protest relevant to the Tri-County REN's ABAL, and has determined to approve Tri-County AL 2-E/1-G filed on September 4, 2018, effective October 4, 2018.

Attachment 1 includes a detailed discussion on the protest, replies and staff's determination to dispose of the California Public Advocates protest that was relevant to Tri-County REN's AL 2-E/1-G and approve the AL.

Please contact Nils Strindberg of Energy Division staff at (415) 703-1812 or at ns2@cpuc.ca.gov if you have any questions.

Sincerely,



Edward Randolph
Director, Energy Division
California Public Utilities Commission

cc: Service Lists R.13-11-005 and A.17-01-013
Pete Skala, Energy Division
Robert Strauss, Energy Division
Alison LaBonte, Energy Division
Michael Campbell, California Public Advocates

Attachment 1

Background

On September 4, 2018, Tri-County Regional Energy Network timely filed their ABAL 2-E/1-G for 2019 as required by D.15-10-028.¹

Party Protest and Reply Comments

On October 4, 2018, the California Public Advocates timely protested the ABALs of: Pacific Gas & Electric Company AL 4011-G/5375-E; San Diego Gas & Electric Company AL 3267-E/2700-G; Southern California Edison Company AL 3859-E; Southern California Gas Company Advice Letter 5349; and Marin Clean Energy AL 33-E. In their protest, the California Public Advocates requested that the Program Administrators (PAs) file supplemental ALs updating their 2019 ABALs based on the 2019-2020 Draft DEER Resolution E-4952. The California Public Advocates state that the "Draft Resolution E-4952 would make numerous changes to DEER such as amendments to net-to-gross ratios and the expected useful life of certain measures. Many of these changes will reduce the claimable savings from energy efficiency measures. If Draft Resolution E-4952 is adopted by the Commission, the Program Administrators' (PAs') energy efficiency portfolios will instantly become less cost-effective than currently forecast."²

The California Public Advocates conclude that "given the fact that Draft Resolution E-4952 is likely to have a significant impact on the cost-effectiveness of EE portfolios, the Commission should require all EE PAs to submit supplemental advice letters after the resolution is adopted. In these supplemental advice letters, each PA should provide a revised cost-effectiveness forecast based on the updated DEER values."³

SCE and SoCalGas timely replied to the protest from the California Public Advocates on October 11, 2018. SCE and SoCalGas argue the Commission should not adopt California Public Advocates' recommendation for following reasons:

- First, both SCE and SoCalGas claim in Resolution E-4867, the DEER resolution, adopted on August 10, 2017, the Commission directed the PAs to use the

¹ D.15-10-028, OP 4.

² California Public Advocates protest to MCE, PG&E, SCE, SDG&E and SoCalGas ABALs in proceeding R.13-11-015, pages 4-5.

³ Ibid.

resolution values adopted in that resolution for 2019 planning, implementation and reporting.⁴

- Second, SCE states that Draft Resolution E-4952 directs the PAs to only use the new values for 2019 savings claims.⁵
- Finally, SCE believes requiring yet another supplemental advice letter filing after the Draft Resolution was adopted would not be efficient, is not necessary, and can be addressed in the workshop for PAs who do not meet a 1.25 forecasted total resource cost (TRC).⁶

Discussion

Tri-County REN was not included in the California Public Advocates' protest. However, since the California Public Advocates requested that all PAs file supplementals for their 2019 ABALs based on the then 2019-2020 Draft DEER Resolution E-4952, the California Public Advocates protest is relevant to all PAs, including Tri-County REN.

While California Public Advocates protest requested Energy Division require all PAs to refile their ABALs using the relevant updates in the then Draft DEER Resolution E-4952, there is no prior Commission direction which would necessitate the PAs to do so. SCE argues that the California Public Advocates stated rationale for requiring the PA's to refile their ABALs using the then Draft DEER Resolution is because the PAs' energy efficiency portfolios will become less cost effective.⁷ Energy Division acknowledges that the approved Resolution E-4952 may change the PAs' portfolio cost effectiveness, but the PAs must use the correct DEER inputs in their ABALs. We agree with SCE that Resolution E-4952 as stated in Ordering Paragraph (OP) 3 is only applicable to reporting savings claims in 2019 and for portfolio planning in 2020.⁸ We also agree with SCE and SoCalGas that Resolution E-4867 OP 2 is clear that the updated DEER values from

⁴ Resolution E-4867, p. 7, OP 2.

⁵ Draft Resolution E-4952, p. 17, OP 3.

⁶ SCE reply to protest of California Public Advocates in Proceeding R.13-11-005, page 2.

⁷ California Public Advocates protest to MCE, PG&E, SCE, SDG&E and SoCalGas ABALs in Proceeding R.13-11-005, page 5

⁸ E-4952, OP 3 states that: "Pacific Gas and Electric Company (PG&E), Southern California Electric Company (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas & Electric (SDG&E), the San Francisco Bay Area Regional Energy Network (BayREN), Southern California Regional Energy Network (SoCalREN), Tri-County Regional Energy Network (3CREN), Local Government Sustainable Energy Coalition (LGSEC), Lancaster Choice Energy (LCE), and Marin Clean Energy (MCE) must use the updated assumptions, methods and values for 2019 savings claims and 2020 planning, implementation and reporting."

August 2017 resolution must be used for 2019 portfolio planning.⁹ Requiring the PAs to resubmit their ABALs to Energy Division using relevant DEER updates from Resolution E-4952, would contradict both Resolution E-4952 and Resolution E-4876 and is inappropriate.

The ABAL review process as outlined in D.15-10-028, suggest the ABALs review be a “ministerial” process for Commission staff.¹⁰ Suspending the ABALs until Energy Division can review that the PAs’ updates to their forecasts comply with Resolution E-4952 and then requiring the PAs file supplemental ABALs would lead to substantial delays in the dispositions of the ABALs and is not in the spirit of the “ministerial review” of the ABALs as envisioned in the Rolling Portfolio.

Thus, Energy Division rejects the California Public Advocates protest and will not require the Tri-County REN to resubmit their ABALs using the relevant DEER values approved in E-4952. Tri-County REN has appropriately used the DEER values approved on Aug 2017, in compliance with direction in Resolution E-4867. Tri-County REN shall use DEER Resolution E-4952 for reporting savings claims in 2019.

⁹ E-4876, OP 2 states that: “Pacific Gas and Electric Company (PG&E), Southern California Electric Company (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas & Electric (SDG&E), the San Francisco Bay Area Regional Energy Network (BayREN), Southern California Regional Energy Network (SoCalREN), Tri-County Regional Energy Network (3CREN), Local Government Sustainable Energy Coalition (LGSEC), and Marin Clean Energy (MCE) must use the updated assumptions, methods and values for 2017, 2018 savings claims and 2019 planning, implementation and reporting.”

¹⁰ D.15-10-028, page 60

